

UNITED STATES DISTRICT COURT
For the District of Massachusetts

ITV DIRECT, INC.,)
)
Plaintiff,)
)
v.)
)
HEALTHY SOLUTIONS, LLC, ET. AL.,)
)
Defendants.)

CAPPSEALS, INC.,)
)
Plaintiff-in-Intervention)
)
v.)
)
HEALTHY SOLUTIONS, LLC, D/B/A)
DIRECT BUSINESS CONCEPTS; ITV)
DIRECT, INC. AND DIRECT)
FULFILLMENT, LLC.)
)
Intervenor-Defendants.)

C. A. No. 04-CV10421-JLT

EXHIBIT 5

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

ITV DIRECT, INC.,)	
)	
Plaintiff,)	Civil Action No. 04 CV 10421 JLT
)	
v.)	
)	
HEALTHY SOLUTIONS, L.L.C., et al,)	
)	
Defendants.)	
)	AFFIDAVIT OF HARRY N. ANDERSON,
)	III IN SUPPORT OF CAPPSEALS, INC.'S
CAPPSEALS, INC.,)	MOTION FOR PARTIAL SUMMARY
)	JUDGMENT
)	
Plaintiff-in-Intervention,)	
)	
v.)	
)	
HEALTHY SOLUTIONS, L.L.C., d/b/a)	
DIRECT BUSINESS CONCEPTS; ITV)	
DIRECT, INC.; and DIRECT)	
FULFILLMENT, LLC,)	
)	
Intervenor-Defendants.)	

OREGON
STATE OF WASHINGTON)
County of ~~Clark~~) ss.
multnomah)

I, Harry N. Anderson, III, being first duly sworn, hereby depose and say:

1. I am a co-owner of Cappseals, Inc., a Washington corporation ("Cappseals"). I make this affidavit upon my own personal knowledge and, if called to testify, would testify in conformance with this affidavit.

2. In or around August 2003, defendant Healthy Solutions, LLC, dba Direct Business Concepts ("DBC"), a California limited liability company, began issuing purchase orders to Cappseals, a Washington corporation, on a weekly or near weekly basis requesting that Cappseals manufacture and bottle certain quantities of a product known as Supreme Greens with

MSM ("Supreme Greens") for \$2.95 per bottle. A true and correct copy of an example DBC purchase order, dated September 22, 2003, is attached as Exhibit A.

3. On or about November 11, 2003, DBC issued a standing purchase order to Cappseals requesting that Cappseals manufacture 50,000 bottles of Supreme Greens per week for shipment to Direct Fulfillment, LLC, in Beverly, Massachusetts, an affiliate of DBC's distributor ITV Direct, Inc., a Massachusetts corporation (Direct Fulfillment, LLC and ITV Direct, Inc. are collectively referred to herein as "ITV Direct"). A true and correct copy of this standing purchase order, dated November 25, 2003, is attached as Exhibit B.

4. Between December 29, 2003, and February 5, 2004, Cappseals made six weekly shipments to ITV Direct containing a total of approximately 303,644 bottles of Supreme Greens. True and correct copies of packing slips and bills of lading evidencing the shipment of these goods to ITV Direct are attached as Exhibit C.

5. DBC owes Cappseals approximately \$890,182.09 for the 303,644 bottles of Supreme Greens shipped to ITV Direct between December 29, 2003, and February 5, 2004. A true and correct copy of DBC's account statement with Cappseals is attached as Exhibit D. The entire sum of \$890,182.09 owed by DBC to Cappseals for these goods is past due and remains unpaid. DBC has acknowledged to Cappseals that it has an outstanding balance on its account in the amount of \$890,182.09, but asserts that it is without resources to pay this sum because of ITV Direct's refusal to pay DBC for these same goods.

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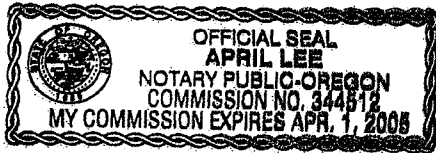
////

6. Neither DBC nor ITV Direct has ever notified Cappseals of any non-conformity relating to the 303,644 bottles of Supreme Greens shipped to ITV Direct.



Harry N. Anderson, III

SUBSCRIBED AND SWORN to before me this 22 day of June, 2004.





NOTARY PUBLIC FOR OREGON

Direct Business Concepts9528 Miramar Road, Suite 100
San Diego, CA 92126**RECEIVED**

SEP 23 2003

Purchase Order

Date	P.O. No.
9/22/2003	1019

Vendor
Capsicals P.O. Box 820650 Vancouver, WA 98682

Ship To
Direct Fulfillment 100 Cummings Center Suite #143H, Dock #144Q Beverly, MA 01915

Qty	Description	Rate	Amount
30,000	Supreme Greens with MSM: Capsules	2.95	88,500.00
15,000	Supreme Greens with MSM: Powder	2.66	39,900.00
Total			\$128,400.00

EXHIBIT A
PAGE 1 OF 1

Direct Business Concepts
 9528 Miramar Road, Suite 100
 San Diego, CA 92126

RECEIVED

NOV 26 2003

Purchase Order

Date	P.O. No.
11/25/2003	1022

Vendor
Cappscales P.O. Box 820650 Vancouver, WA 98682

Ship To
Direct Fulfillment 100 Cummings Center Suite #143H, Dock #144Q Beverly, MA 01915

Expected	Ship Via
11/25/2003	

Qty	Description	Rate	Amount
50,000	SUPREME GREEN (capsules or powder) Please consider this purchase order a WEEKLY shipment of 50000 units of Supreme Greens With MSM. This will replace P.O. No. 1021 This purchase order is subject to change or cancellation upon 30 days written notice.	2.95	147,500.00
		Total	\$147,500.00

EXHIBIT B
 PAGE 1 OF 1

04/07/2004 10:49

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CAPPSEALS INC

PAGE 03



P.O. Box 820650
 Vancouver, WA 98682-0014
 (360) 944-9420
 (360) 944-9429 (Fax)

Nº 10647

PACKING SLIP

Date: 12/29/03

TO: Direct Fulfillment

S.O.# 4352P.O.#: 1027 1022

PRODUCT INFORMATION:

ID	DESCRIPTION	LOT #	COUNT	QUANTITY	EXTENDED
DBL01.180	Supreme Green caps	3101606	180	20x160x12	38,400 BTLS
DBL01.180	Supreme Green Caps (cophane)	3101607	180	5x160x12	9,600 BTLS
DBL01.180	Supreme Green Caps	3101606	180	167x12x18	2,018 BTLS
				Total	50,018 BTLS

PACKING/FREIGHT INFORMATION:

Direct Focus
26 pallets

TOTAL WT.: 23,400 ^{kg}

COUNTED BY:

[Signature]

VERIFIED BY:

RECEIVED BY:

EXHIBIT C
 PAGE 1 OF 15

Carrier

Carrier's Code (SCAC)

from **Direct Business Concepts**

(★ To be filled in only when shipper desires and governing tariffs provide for delivery thereat.)

No.

PLACARDS PROVIDED FOR THIS LOAD

24 HOUR PHONE NUMBER:

99

re boxes used for this shipment conform to the specifications set forth in the box maker's certificate thereon, their requirements of Uniform Freight Classification.
 re imprint in lieu of stamp; not a part of bill of lading approved by the Interstate Commerce Commission.

CHECK BOX IF COLLECT ☐

Agent or Co-Narrator

For _____
(The signature here acknowledges only the amount prepaid.)

Charges Advanced:

Shipper, Per _____ Agent, Per _____

ORM 6S675/8P675 Rev, 5/98
K (50 SETS) 6S675

carbonless

EXHIBIT C
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3509449429

CAPPSEALS INC

PAGE 05



P.O. Box 820650
 Vancouver, WA 98682-0014
 (360) 944-9420
 (360) 944-9429 (Fax)

Nº 10674

PACKING SLIP

Date: 1/5/04

TO: Direct Fulfillment

S.O.# 4528P.O.#: 1022

PRODUCT INFORMATION:

ID	DESCRIPTION	LOT #	COUNT	QUANTITY	EXTENDED
<u>DBCD180</u>	<u>Supreme Green's</u>	<u>3101607</u>	<u>180</u>	<u>9x160x12</u>	<u>17,180 BTLS</u>
<u>DBCD180</u>	<u>Supreme Green's</u>	<u>3101606</u>	<u>180</u>	<u>10x160x12</u>	<u>11,520 BTLS</u>
<u>DBCD180</u>	<u>Supreme Green's</u>	<u>3101606</u>	<u>180</u>	<u>1x176x12</u>	<u>2,112 BTLS</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	<u>30,912 BTLS</u>
_____	_____	_____	_____	_____	_____

PACKING/FREIGHT INFORMATION:

Direct Focus
16 pallets

*Cust Arranged*TOTAL WT.: 15,360

COUNTED BY:

[Signature]

VERIFIED BY:

RECEIVED BY:

EXHIBIT C
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CAPPSSEALS INC

PAGE 07

Nº 10721



P.O. Box 820650
 Vancouver, WA 98682-0014
 (360) 944-9420
 (360) 944-9429 (Fax)

PACKING SLIP

Date: 1/14/04TO: Direct FulfillmentS.O.# 1022P.O.#: 1022

PRODUCT INFORMATION:

ID	DESCRIPTION	LOT #	COUNT	QUANTITY	EXTENDED
<u>DBC.01.180</u>	<u>Supreme Green's</u>	<u>30101607</u>	<u>180</u>	<u>8x160x12</u>	<u>15,360 BTLS</u>
<u>DBC.01.180</u>	<u>Supreme Green's</u>	<u>30101608</u>	<u>180</u>	<u>12x160x12</u>	<u>23,040 BTLS</u>
<u>DBC.01.180</u>	<u>Supreme Green's</u>	<u>30101609</u>	<u>180</u>	<u>6x160x12</u>	<u>11,520 BTLS</u>
<u>DBC.02.802</u>	<u>Supreme Green's prod</u>	<u>4010102</u>	<u>802</u>	<u>4x21x48</u>	<u>4,032 JARS</u>
				<u>Total</u>	<u>53,952 BTLS</u>

PACKING/FREIGHT INFORMATION:

Direct Focus
30 skids

TOTAL WT.: 26,460 #

COUNTED BY:

VERIFIED BY:

RECEIVED BY:

EXHIBIT C
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CAPPSEALS INC

PAGE 09



P.O. Box 820650
 Vancouver, WA 98682-0014
 (360) 944-9420
 (360) 944-9429 (Fax)

Nº 10752 ✓

PACKING SLIP

Date: 1/21/04

TO: Direct Bulkfillment

S.O.# 4530P.O.#: 1072

PRODUCT INFORMATION:

ID	DESCRIPTION	LOT #	COUNT	QUANTITY	EXTENDED
DEC.01.180	Supreme Greens Caps	4010121	180	5X 192X12	11,520
DEC.01.180	Supreme Greens Caps	3101609	180	6X 192X12	13,824
DEC.01.180	Supreme Greens Caps	3101608	180	2X 192X12	4,608
DEC.01.180	Supreme Greens Caps	4010132	180	8X 192X12	18,432
DEC.01.180	Supreme Greens Caps	3101607	180	2X 192X12	4,608
DEC.01.180	Supreme Greens	4301041	180	2X 192X12	4,608

Total 57,600

PACKING/FREIGHT INFORMATION:

Direct Business/Direct Focus
30 Skids

TOTAL WT.: _____

COUNTED BY:

[Signature]

VERIFIED BY:

RECEIVED BY:

EXHIBIT C
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CAPPSEALS INC

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P.O. Box 820650
 Vancouver, WA 98682-0014
 (360) 944-9420
 (360) 944-9429 (Fax)

Nº 10753

PACKING SLIP

Date: 1/21/04

TO: Direct Fulfillment

S.O.# 4530P.O.#: 1022

PRODUCT INFORMATION:

ID	DESCRIPTION	LOT #	COUNT	QUANTITY	EXTENDED
	<u>Supreme Greens purl</u>	<u>3100905</u>	<u>8⁰⁰</u>	<u>3x48</u>	<u>144 JARS</u>
	<u>Supreme Greens purl</u>	<u>4010104</u>	<u>8⁰⁰</u>	<u>19x48+14</u>	<u>926 JARS</u>
	<u>Supreme Greens purl</u>	<u>4010102</u>	<u>8⁰⁰</u>	<u>20x48+57</u>	<u>992 JARS</u>
	<u>Supreme Greens purl</u>	<u>3100905</u>	<u>8⁰⁰</u>	<u>63x48</u>	<u>3,024 JARS</u>
				<u>Total</u>	<u>5,091 JARS</u>

PACKING/FREIGHT INFORMATION:

Direct Focus
30 skids

TOTAL WT.: _____

COUNTED BY:

VERIFIED BY:

RECEIVED BY:

EXHIBIT C
 PAGE 8 OF 15

SHORT FORM BILL OF LADING 6S675/6P675
3-PART

Carrier's Pro No. _____
 Shipper's Bill of Lading No. _____
 Consignee's Reference/PO No. _____
 Carrier's Code (SCAC) _____

Carrier

from Direct Business Concepts

SHIPPER hereby certifies that he is familiar with all the terms and conditions of the said bill of lading, including those on the back thereof, set forth in the classification or tariff which governs the transportation of this shipment, and the said terms and conditions are hereby agreed to by the shipper and accepted for himself and his assigns.

Assigned to Direct Fulfillment Ph# 978-299-2503

Destination Beverly State MA Zip Code 01915 County _____
(Mail or street address of consignee - For purposes of notification only.)

Delivery Address ★ 100 Cummings Ctr., Ste. 143, Dock 144-A

(★ To be filled in only when shipper desires and governing tariffs provide for delivery thereat.)

je

Ivering Carrier

Car or Vehicle Initials

No.

No. pages	HAZ MAT		*Weight (Sub. to Car.)	Class or Rate	Check Column	Subject to Section 7 of Conditions of applicable bill of lading, if this shipment is to be delivered to the consignee without recourse on the consignor, the consignor shall sign the following statement: The carrier shall not make delivery of this shipment without payment of freight and all other lawful charges.
0 Sub		Food Supplements	30,725 ^{kg}	70		
						(Signature of Consignor)
						Freight charges are PREPAID unless marked collect.
						CHECK BOX IF COLLECT <input type="checkbox"/>
		PLACARDS PROVIDED FOR THIS LOAD				

to certify that the above named materials are properly classified, packaged, marked and labeled and are in proper condition for transportation
 relating to the applicable regulations of the Department of Transportation. IMPORTANT! When shipping hazardous materials this information must be provided

AGENCY CONTACT:

24 HOUR PHONE NUMBER:

When the shipment moves between two ports by a carrier by water, the law requires that the bill of lading state whether it is "carrier's or shipper's weight."

Agreed or declared value of the property is hereby specifically stated by the shipper to be not exceeding the limitation for loss or damage on this shipment may be applicable. See 49 U.S.C. § 1470(a)(1)(A) and (B).

D48

3 fire boxes used for this shipment conform to the specifications set forth in the box maker's certificate thereon,
all other requirements of Uniform Freight Classification.
Xerox Imprint in lieu of stamp; not a part of bill of lading approved by the Interstate Commerce Commission.

Received \$ _____ to
apply in prepayment of the charges on the
property described hereon.

Agent or Cooperator

For _____
(The signature here acknowledges only the amount prepaid.)

Charges Advanced:

\$

Shipper, per 221/21/04

Agent must detach and retain this Shipping Order and must sign the Original Bill of Lading.

most post-office address of shipper

FORM 69675/6P675 Rev. 5/98

YPAK (50 SETS): 69675.

carbonless

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CAPPSSEALS INC

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P.O. Box 820650
Vancouver, WA 98682-0014
(360) 944-9420
(360) 944-9429 (Fax)

Nº 10789 ✓

PACKING SLIP

Date: 1/29/04

TO: Direct Fulfillment

S.O.# 4531P.O.#: 1022

PRODUCT INFORMATION:

ID	DESCRIPTION	LOT #	COUNT	QUANTITY	EXTENDED
DEC. 02. 8 ⁰⁰	Supreme Greens <u>pure</u>	4010104	(no phone #) 8 ⁰⁰	20x48+44	1,004 BTLS
DEC. 02. 8 ⁰⁰	Supreme Greens <u>pure</u>	4010104	8 ⁰⁰	4x21x48	4,032 BTLS
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	Total	5,036 JARS
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

PACKING/FREIGHT INFORMATION:

Focus North America
30 Glids

TOTAL WT.: _____

COUNTED BY:

VERIFIED BY:

RECEIVED BY:

EXHIBIT C
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CAPPSSEALS INC

PAGE 13



P.O. Box 820650
Vancouver, WA 98682-0014
(360) 944-9420
(360) 944-9429 (Fax)

Nº 10790

PACKING SLIP

Date: 1/29/04

TO: Direct Fulfillment

S.O.# 4531P.O.#: 1022

PRODUCT INFORMATION:

ID	DESCRIPTION	LOT #	COUNT	QUANTITY	EXTENDED
DEC.01.180	Supreme Green's Caps	3101607	180	1x160x12	1,920 BTLS
DEC.01.180	Supreme Green's Caps	4010142	180	7x160x12	13,440 BTLS
DEC.01.180	Supreme Green's Caps	4010121	180	3x160x12	5,760 BTLS
DEC.01.180	Supreme Green's Caps	4010141	180	1x160x12	1,920 BTLS
DEC.01.180	Supreme Green's Caps	4010122	180	13x160x12	24,960 BTLS

Total 48,000 BTLS

PACKING/FREIGHT INFORMATION:

Focus North America
30 pallets

TOTAL WT.: _____

COUNTED BY:

[Signature]

VERIFIED BY:

RECEIVED BY:

EXHIBIT C
PAGE 11 OF 15

is an acknowledgment that a Bill of Lading has been issued and is not the Original Bill of Lading, nor a copy or duplicate, covering the property named herein, and is intended solely for filing or record.

Carrier's Pro No. _____
Shipper's Bill of Lading No. _____
Consignee's Reference/PO No. _____
Carrier's Code (SCAC) _____

Carrier

from Direct Business Concepts

property described below in apparent good order, except as noted (contents and condition of contents of packages unknown), marked, counted, and classified as indicated below, which said carrier (the word carrier being understood throughout this contract as meaning any person or corporation in possession of the property under this contract) agrees to carry to its usual place of delivery at said destination, if on its route, otherwise to deliver to another carrier on the route; and destination, if it mutually agreed as to each carrier at all or any of said property over all or any portion of said route, to destination and as to each party at any time interested in it or any said property that every service to be rendered hereunder shall be subject to all the terms and conditions of the Uniform Domestic Freight Bill of Lading and of the Uniform Freight Classification in effect on the date hereof, if it is a rail or a rail-water shipment, or (2) in the event of a motor carrier shipment, to the Uniform Motor Carrier Classification in effect on the date hereof, if it is a motor carrier shipment.

Shipper hereby certifies that he is familiar with all the terms and conditions of the said bill of lading, including those on the back thereof, set forth in the classification of tariff which governs the transportation of this shipment, and the said terms and conditions are hereby agreed to by the shipper and accepted for himself and his consignee.

Assigned to Direct Fulfillment Phone # 978-299-2503

stination Beverly State MA Zip Code 01915 County _____
 (Mail or street address of consignee - For purposes of notification only.)

Delivery Address ★ 100 Cummings Cir., S.E. 143, Dock 144-A

(★ To be filled in only when shipper desires and governing tariffs provide for delivery thereat)

ute

diverging Carrier

Car or Vehicle Initials

No.

No. Charges		HAZ MAT	Car. or Vehicle Initials			NO.	
			*Weight (Sub. to Car.)	Class or Rate	Check Column	<p>Subject to Section 7 of Conditions of applicable bill of lading, if this shipment is to be delivered to the consignee without recourse on the consignor, the consignor shall sign the following statement:</p> <p>The carrier shall not make delivery of this shipment without payment of freight and all other lawful charges.</p> <p>(Signature of Consignor)</p> <p>Freight charges are PREPAID unless marked collect.</p> <p>CHECK BOX IF COLLECT <input type="checkbox"/></p>	
2 pallets		Food Supplements	26,450 #	70			

to certify that the above named materials are properly classified, packaged, marked and labeled and are in proper condition for transportation according to the applicable regulations of the Department of Transportation. IMPORTANT! When shipping hazardous materials this information must be provided

AGENCY CONTACT:

24 HOUR PHONE NUMBER:

he shipment moves between two ports by a carrier by water, the law requires that the bill of lading state that it is "carrier's or shipper's weight."

agreed or declared value of the property is hereby specifically stated by the shipper to be not exceeding
 liability limitation for loss or damage on this shipment may be applicable. See 49 U.S.C. § 14706(c)(1)(A) and (B).

Def

10. The boxes used for this shipment conform to the specifications set forth in the box maker's certificate thereon, all other requirements of Uniform Freight Classification.
 11. Paper's imprint in lieu of stamp; not a part of bill of lading approved by the Interstate Commerce Commission.

Received \$ _____ 10
apply in prepayment of the charges on the
property described hereon.

Agent or Cashier

Per _____
(the signature here acknowledges only the amount prepaid.)

Options Advanced

1

Appseals Inc 1/29/04 Shipper, Per D Loveless Agent, Per Matthew Alheim

DIFORM® 6S675/6P675 Rev, 5/98
.YPAK (50 SETS) 6S675

carbonless

EXHIBIT C
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CAPPSSEALS INC

PAGE 15

Nº 10827 ✓



P.O. Box 820650
 Vancouver, WA 98682-0014
 (360) 944-9420
 (360) 944-9429 (Fax)

PACKING SLIP

Date: 2/5/04TO: Direct FulfillmentS.O.# 4532P.O.#: 1022

PRODUCT INFORMATION:

ID	DESCRIPTION	LOT #	COUNT	QUANTITY	EXTENDED
DAC12.8 ^{oz}	Supreme Green's pure	4010104	8 ^{oz}	3x48	144 JARS
DAC12.8 ^{oz}	Supreme Green's pure	4010106	8 ^{oz}	102x48	4,896 JARS
				Total	5,040 JARS

PACKING/FREIGHT INFORMATION:

Focus North America
30 Skids

TOTAL WT.: _____

COUNTED BY:

VERIFIED BY:

RECEIVED BY:

EXHIBIT C
 PAGE 13 OF 15

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3609449429

CAPPSEALS INC

PAGE 15



P.O. Box 820650
 Vancouver, WA 98682-0014
 (360) 944-9420
 (360) 944-9429 (Fax)

Nº 10826

PACKING SLIP

Date: 2/5/04TO: Direct FulfillmentS.O.# 4532P.O.#: 1022

PRODUCT INFORMATION:

ID	DESCRIPTION	LOT #	COUNT	QUANTITY	EXTENDED
DEC.01.180	Supreme Greens Caps	4010143	180	6x160x12	11,520 BTLS
DEC.01.180	Supreme Greens Caps	4010123	180	5x160x12	9,600 BTLS
DEC.01.180	Supreme Greens Caps	4010133	180	11x160x12	21,120 BTLS
DEC.01.180	Supreme Greens Caps	4010122	180	2x160x12	3,840 BTLS
DEC.01.180	Supreme Greens Caps	4010132	180	1x160x12	1,920 BTLS
				Total	48,000 BTLS

PACKING/FREIGHT INFORMATION:

Focus North America
30 Skids

TOTAL WT.: _____

COUNTED BY:

VERIFIED BY:

RECEIVED BY:

EXHIBIT C
 PAGE 14 OF 15

'04/07/2004 10:49 3609449420

CAPPSEALS INC

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IS MEMORANDUM

THIS MEMORANDUM is an acknowledgment that a Bill of Lading has been issued and is not the Original Bill of Lading, nor a copy or duplicate, covering the property named herein, and is intended solely for filing or record.

SAVED, subject to individually determined terms or contracts that have been agreed upon in writing between carrier and shipper, if applicable, otherwise to the laws, classifications and rules that have been established by carrier and are available to the shipper, on request.

Carrier's Pro No. 55898

Shipper's Bill of Lading No.

Consignee's Reference/PO No.

Carrier's Code (SCAC)

FOCUS NORTH AMERICA, INC.

Carrier

1007 N.E. 95th St., Vancouver, WA

from Direct Business Concepts

property described below in apparent good order except as noted (contents and condition of contents of packages unknown), marked, consigned, and destined as indicated below which said carrier (the world carrier being understood without this contract of meaning any person or corporation in possession of the property under this contract) agrees to carry to its usual place of delivery at said destination, if on its route, otherwise to deliver to another carrier on the route said destination. It is mutually agreed as to each carrier of all or any of said property over all or any portion of said route to destination and as to each party of any time interested in all or any of said property, that every service to be rendered hereunder shall be subject to all the terms and conditions of the Uniform Domestic Freight Bill of Lading set forth (1) in Uniform Freight Classification in effect on the date hereof, if this is a rail or a rail-water shipment, or (2) in the applicable motor carrier classification, or tariff if this is a motor carrier shipment.

Shipper hereby certifies that he is familiar with all the terms and conditions of the said bill of lading, including those on the back thereof, set forth in the classification or tariff which governs the transportation of this shipment, and the said terms and conditions are hereby agreed to by the shipper and represent the himself and his consignees.

Assigned to _____

Destination Beverly State MA Zip Code 01915 County _____

Delivery Address ★ 100 Cummings Ctr., Ste. 14S, Dock 144-A

(★ To be filled in only when shipper desires and governing tariffs provide for delivery thereat.)

cute.

Delivering Carrier

Car or Vehicle Initials

No.

No. packages	HAZ MAT		*Weight (Sub. to Con.)	Class or Rate	Check Column	<p>Subject to Section 7 of Conditions of applicable bill of lading, if this shipment is to be delivered to the consignee without recourse on the consignor, the consignor shall sign the following statement.</p> <p>The consignor shall not make delivery of this shipment without payment of freight and all other lawful charges.</p> <p>(Signature of Consignor)</p> <p>Freight charges are PREPAID unless marked collect.</p> <p>CHECK BOX IF COLLECT <input type="checkbox"/></p>
units		Food Supplements	26,450 #	70		
		PLACARDS PROVIDED FOR THIS LOAD				

It is to certify that the above named materials are properly classified, packaged, marked and labeled and are in proper condition for transportation according to the applicable regulations of the Department of Transportation. **IMPORTANT!** When shipping hazardous materials this information must be provided:

EMERGENCY CONTACT:

24 HOUR PHONE NUMBER:

the shipment moves between two ports by a carrier by water, the law requires that the bill of lading state either it is "carriers or shippers weight."

The agreed or declared value of the property is hereby specifically stated by the shipper to be not exceeding \$_____. If the actual value of the property is greater than the agreed or declared value, the liability limitation for loss or damage on this shipment may be applicable. See 49 U.S.C. § 14706(c)(1)(A) and (B).

ppf

The fibre boxes used for this shipment conform to the specifications set forth in the box maker's certificate thereon, and all other requirements of Uniform Freight Classification.
Shipper's Imprint in lieu of stamp; not a part of bill of lading approved by the Interstate Commerce Commission.

Received \$ _____ to
apply in prepayment of the charges on the
property described hereon.

Agent or Cashier

For _____
(The signature here acknowledges only the amount prepaid.)

Charges Advanced:

Cuppsreals, June 2/5/64 Shipper, Per McQuinn Agent, Per McQuinn

EDIFORM, 6S675/6P675 Rev, 5/98
ALYPAK (50 SETS) 6S675

carbonless

EXHIBIT C
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STATEMENT

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Statement of account

GAPPSEALS, INC.
P O Box 820650
Vancouver, WA 98682
(360) 944-9420

Statement Date: 02/29/04
Salesperson:

Direct Business Concepts
1042 N. Mountain Avenue
Upland, CA 91786

Customer No.: DBC 001

0.00

DATE	REFERENCE	DESCRIPTION	CHARGE	CREDIT	BALANCE
12/29/03	0035537-IN		147,538.35		147,538.35
01/05/04	0035559-IN		91,190.40		91,190.40
01/14/04	0035591-IN		157,989.12		157,989.12
01/21/04	0035626-IN		183,462.06		183,462.06
01/29/04	0035653-IN		154,995.76		154,995.76
02/05/04	0035682-IN		155,006.40		155,006.40

CURRENT	30 DAYS	60 DAYS	90 DAYS	120 DAYS	TOTAL	BALANCE DUE
155,006.40	587,637.34	147,538.35	0.00	0.00	890,182.09	890,182.09

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ACCOUNTS RECEIVABLE TRIAL BALANCE REPORT

CAPPSSEALS, INC.

Statement of account ALL INVOICES

CUSTOMER/ INVOICE NO.	INVOICE	DATES DUE DISCT	INVOICE AMOUNT	DISCOUNT AMOUNT	INVOICE BALANCE	TRANSACTION TYPE DATE AMOUNT	CK. NO./ TYPE	DEPOSIT DATE
DBC 001	Direct Business Concepts							
0035154	- IN	08/29/03 08/29	21,476.00	.00	.00	INV: 08/29/03 21,476.00		
0035193	- IN	09/16/03 09/16	53,241.60	.00	.00	PMT 09/30/03 21,476.00 INV 09/22/03 53,241.60	WIRE	09/30/03
0035229	- IN	09/25/03 09/25	5,320.00	.00	.00	PMT 09/30/03 53,241.60 INV 09/30/03 5,320.00	WIRE	09/30/03
0035230	- IN	09/25/03 09/25	33,807.00	.00	.00	PMT 11/01/03 5,320.00 INV 09/30/03 33,807.00	WIRE	11/01/03
0035253	- IN	10/03/03 10/03	41,418.00	.00	.00	PMT 11/01/03 33,807.00 INV 10/07/03 41,418.00	WIRE	11/01/03
0035271	- IN	10/08/03 10/08	4,425.00	.00	.00	PMT 11/10/03 41,418.00 INV 10/09/03 4,425.00	9002133915	11/10/03
0035272	- IN	10/08/03 10/08	1,330.00	.00	.00	PMT 11/10/03 4,425.00 INV 10/09/03 1,330.00	9002133915	11/10/03
0035277	- IN	10/10/03 10/10	58,368.70	.00	.00	PMT 11/10/03 1,330.00 INV 10/14/03 58,368.70	9002133915	11/10/03
0035278	- IN	10/10/03 10/10	6,650.00	.00	.00	PMT 11/18/03 58,368.70 INV 10/14/03 6,650.00	WIRE	11/18/03
0035279	- IN	10/10/03 10/10	1,356.60	.00	.00	PMT 11/18/03 6,650.00 INV 10/14/03 1,356.60	WIRE	11/18/03
0035294	- IN	10/17/03 10/17	10,956.30	.00	.00	PMT 11/18/03 1,356.60 INV 10/21/03 10,956.30	WIRE DSCNT APPL	11/18/03 11/18/03
0035295	- IN	10/17/03 10/17	18,779.70	.00	.00	PMT 11/25/03 10,956.30 INV 10/21/03 18,779.70	WIRE TRANSFER	11/25/03
0035308	- IN	10/21/03 10/21	5,320.00	.00	.00	PMT 11/25/03 18,779.70 INV 10/23/03 5,320.00	WIRE TRANSFER	11/25/03
0035323	- IN	10/24/03 10/24	69,720.30	.00	.00	PMT 12/08/03 5,320.00 INV 10/28/03 69,720.30	WIRE	12/08/03
0035324	- IN	10/24/03 11/23	26,921.70	.00	.00	PMT 12/08/03 69,720.30 INV 10/28/03 26,921.70	WIRE	12/08/03
0035325	- IN	10/24/03 10/24	21,450.24	.00	.00	PMT 12/08/03 26,921.70 INV 10/28/03 21,450.24	WIRE	12/08/03
0035360	- IN	11/03/03 11/03	11,773.16	.00	.00	PMT 12/08/03 21,450.24 INV 11/04/03 11,773.16	WIRE DSCNT APPL	12/08/03 12/08/03
0035361	- IN	11/03/03 12/03	15,039.64	.00	.00	PMT 12/19/03 11,773.16 INV 11/04/03 15,039.64	WIRE	12/19/03
0035362	- IN	11/03/03 12/03	26,550.00	.00	.00	PMT 12/19/03 15,039.64 INV 11/04/03 26,550.00	WIRE	12/19/03
0035376	- IN	11/07/03 12/07	57,064.80	.00	.00	PMT 12/19/03 26,550.00 INV 11/11/03 57,064.80	WIRE	12/19/03
0035377	- IN	11/07/03 12/07	13,361.18	.00	.00	PMT 12/19/03 57,064.80 INV 11/11/03 13,361.18	WIRE	12/19/03
0035399	- IN	11/14/03 12/14	12,874.40	.00	.00	PMT 12/19/03 13,361.18 INV 11/18/03 12,874.40	WIRE	12/19/03
0035400	- IN	11/14/03 12/14	74,694.00	.00	.00	PMT 12/26/03 12,874.40 INV 11/18/03 74,694.00	WIRE	12/26/03
0035406	- IN	11/19/03 12/19	37,170.00	.00	.00	PMT 12/26/03 74,694.00 INV 11/20/03 37,170.00	WIRE	12/26/03
0035419	- IN	11/25/03 12/25	141,305.00	.00	.00	PMT 12/26/03 37,170.00 INV 11/30/03 141,305.00	WIRE DSCNT APPL	12/26/03 12/26/03
0035442	- IN	12/03/03 01/02	118,944.00	.00	.00	PMT 01/07/04 141,305.00 INV 12/04/03 118,944.00	WIRE	01/07/04
0035463	- IN	12/06/03 01/05	15,871.00	.00	.00	PMT 01/15/04 118,944.00 INV 12/09/03 15,871.00	WIRE	01/15/04
0035464	- IN	12/06/03 01/05	89,479.40	.00	.00	PMT 01/21/04 15,871.00 INV 12/09/03 89,479.40	WIRE	01/21/04
0035493	- IN	12/12/03 01/11	118,944.00	.00	.00	PMT 01/21/04 89,479.40 INV 12/15/03 118,944.00	WIRE	01/21/04
0035532	- IN	12/19/03 01/18	147,511.80	.00	.00	PMT 01/30/04 118,944.00 INV 12/23/03 147,511.80	WIRE	01/30/04
0035537	- IN	12/29/03 01/28	147,538.35	.00	147,538.35	PMT 02/09/04 147,511.80 INV 12/30/03 147,538.35	WIRE	02/09/04
0035539	- IN	01/05/04 02/04	91,190.40	.00	91,190.40	INV 01/09/04 91,190.40		
0035591	- IN	01/14/04 02/13	157,989.12	.00	157,989.12	INV 01/14/04 157,989.12		
0035626	- IN	01/21/04 02/20	183,462.06	.00	183,462.06	INV 01/22/04 183,462.06		
0035653	- IN	01/29/04 02/28	154,995.76	.00	154,995.76	INV 01/30/04 154,995.76		
0035682	- IN	02/05/04 03/06	155,006.40	.00	155,006.40	INV 02/10/04 155,006.40		
0035719	- IN	02/12/04 03/13	.00	.00	.00	ADJ 02/09/04 140,092.80 INV 02/12/04 140,092.80		

EXHIBIT D
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ACCOUNTS RECEIVABLE TRIAL BALANCE REPORT

CAPPSSEALS, INC.

Statement of account ALL INVOICES

CUSTOMER/ INVOICE NO.	DATES INVOICE DUE DSCNT	INVOICE AMOUNT	DISCOUNT AMOUNT	INVOICE BALANCE	TRANSACTION TYPE DATE AMOUNT	CK. NO./ TYPE	DEPOSIT DATE
CUSTOMER DBC 001 TOTALS:		2,151,305.61	.00	890,182.09		890,182.09	
REPORT TOTALS:		2,151,305.61	.00	890,182.09		890,182.09	
NUMBER OF CUSTOMERS:		1					

EXHIBIT D
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**DIRECT BUSINESS CONCEPTS
SHIPMENTS**

SORTED BY PO #:

Order Date	PO Number	Date Shipped	Total Ordered	Total Shipped	Quantity Shipped:		Over (under)	Accum Over (under)
					Capsules	Powder		
08/26/03	1015	09/02/03	25,000	25,328	7,280	0	328	328
"	"	09/12/03			18,048	0		328
09/05/03	1016	09/25/03	25,000	25,500	11,460	0	500	828
"	"	10/03/03			14,040	0		828
09/18/03	1018	09/23/03	30,000	30,000	0	2,000		828
"	"	10/08/03			1,500	500		828
"	"	10/10/03			19,786	2,500		828
"	"	10/17/03			3,714	0		828
09/29/03	1019	10/10/03	45,000	45,000	0	510		828
"	"	10/17/03			8,366	0		828
"	"	10/21/03			0	2,000		828
"	"	10/24/03			23,634	8,064		828
"	"	11/03/03			0	4,428		828
10/09/03	1021-11	10/24/03	160,000	179,127	9,126	0	19,127	19,955
"	"	11/03/03			9,000	5,654		19,955
"	"	11/07/03			19,344	5,023		19,955
"	"	11/18/03			37,820	4,840		19,955
"	"	11/25/03			47,900	0		19,955
"	"	12/03/03			40,320	0		19,955
10/09/03	1021-12	12/06/03	40,000	35,712	35,712	0	(4,288)	15,667
"	"	12/12/03	40,000	40,320	40,320	0	320	15,987
"	"	12/18/03	50,000	50,004	50,004	0	4	15,991
"	"	12/29/03	50,000	50,013	50,013	0	13	16,004
10/09/03	1022-01	01/05/04	50,000	30,912	30,912	0	(19,088)	(3,084)
"	"	01/14/04	50,000	53,952	49,920	4,032	3,952	868
"	"	01/21/04	50,000	62,691	57,600	5,091	12,691	13,559
"	"	01/29/04	50,000	53,040	48,000	5,036	3,040	16,599
10/09/03	1022-02	02/05/04	50,000	53,040	48,000	5,040	3,040	19,639
Total bottles			715,000	734,639	679,919	54,716	19,639	

SORTED BY SHIP DATE

Date Shipped	PO Number	Total Shipped	Quantity Shipped	
			Capsules	Powder
09/02/03	1015	7,280	7,280	0
09/12/03	1015	18,048	18,048	0
09/23/03	1018	2,000	0	2,000
09/25/03	1016	11,460	11,460	0
10/03/03	1016	14,040	14,040	0
10/08/03	1018	2,000	1,500	500
10/10/03	1018	22,796	19,786	2,500
10/10/03	1019		0	510
10/17/03	1018	10,080	3,714	0
10/17/03	1019		8,366	0
10/21/03	1019	2,000	0	2,000
10/24/03	1019	40,824	23,634	8,064
10/24/03	1021		9,126	0
11/03/03	1019	19,080	0	4,426
11/03/03	1021-11		9,000	5,654
11/07/03	1021-11	24,367	19,344	5,023
11/18/03	1021-11	42,780	37,820	4,840
11/25/03	1021-11	47,900	47,900	0
12/03/03	1021-11	40,320	40,320	0
12/06/03	1021-12	35,712	35,712	0
12/12/03	1021-12	40,320	40,320	0
12/18/03	1021-12	50,004	50,004	0
12/29/03	1021-12	50,013	50,013	0
01/05/04	1022-01	30,912	30,912	0
01/14/04	1022-01	53,952	49,920	4,032
01/21/04	1022-01	62,691	57,600	5,091
01/29/04	1022-01	53,036	48,000	5,036
02/05/04	1022-02	53,040	48,000	5,040
		734,635	679,919	54,716

EXHIBIT D
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